



HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

NATIONAL ASSEMBLY
2026 BUDGET VOTE SPEECH BY MINISTER THEMBI SIMELANE,
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA, CAPE TOWN
VOTE 33, HUMAN SETTLEMENTS
27 MAY 2026

Honourable Speaker
Honourable Chairperson, Albert Seabi and Members of the Portfolio Committee on Human Settlements
Honourable Members
Fellow Cabinet Members
Deputy Minister of Human Settlements, Ms Tandi Mahambehlala
Members of the Provincial Executive Committees
Director-General of the Department of Human Settlements, Dr Alec Moemi and Deputy-Directors General
Chairpersons and Members of Boards and Councils of the Entities of Human Settlements
Chief Executive Officers of the Entities of Human Settlements
Fellow South Africans and Ladies and Gentlemen

Dumelang,

Exactly this month, thirty years ago, this august House adopted our historic country's democratic Constitution. Our Constitution commits us to recognising the injustices of the past, honouring those who fought for justice and establishing a vision for a united, democratic society founded on human dignity, equality and fundamental rights.

A year later, the then Minister of Housing, Sankie Mthembu-Mahanyele championed the adoption of the National Housing Act 107 of 1997. Minister Mthembu-Mahanyele correctly asserted that housing development is *"about the availability of land, about access to credit, about affordability, about economic growth, about social development, about environment"*.

Over the years, we have continued to build on a solid foundation laid by our predecessors including Joe Slovo, Mama Mthembu-Mahanyele and others.

Today, we remain steadfast and unwavering in restoring the dignity of our people through the delivery of sustainable human settlements. We continue to utilise a range of housing instruments, including social housing, affordable housing, and fully subsidized housing, also known as Breaking New Ground (BNG) in housing the nation.

Honourable Speaker,

As I table this Budget Policy Statement, I am reminded of Mama Bhekile Mlambo, one of the KwaZulu Natal 2022 flood victims. Mama Mlambo, a pensioner from Illovo in eThekweni, received the keys to her newly built home in August 2025. Overcome with emotions, she reflected on the devastation caused by the floods and hardship endured by her community.

Her story reminds us that housing is not merely a shelter. It is about restoring dignity, hope, and security.

Mama Mlambo is one of the many of women whose life has changed, and dignity restored through our housing delivery programmes.

We do this not oblivious of the fact that South Africa continues to face a persistent and complex and multi-layered human settlements challenge, driven by rapid urbanisation, historical spatial inequality, and significant unmet housing demand. Notably, the latest estimates of the housing backlog are around 2.6 million with the latest census revealing that 84.1% of households residing in formal dwellings (up to 73.5% in 2002) while 11.7% live in informal dwellings.

Therefore, it is befitting to deliver today's Budget Vote Speech under the theme: **"Restoring dignity through sustainable human settlements"**. This as we strongly believe housing is more than a shelter but a tool for dignity, social justice, and improved quality of life.

Karl Marx believed that the first premise of human existence is that humans must produce their means of subsistence to survive, he argued that before people can engage in, for example, religion or art, they must first satisfy their material needs have food, clothing, and shelter.

Honourable Speaker,

Notwithstanding challenges we face such as availability of land, natural disasters, and lack of resources, we remain resolute in achieving our targets as contained in the 2024-2029 Medium Term Development Plan (MTDP).

The targets are not optional. They are a Constitutional obligation which compels us to:

- "Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and

- Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations”

In pursuit of these objectives, we set ourselves the following targets for the current financial year:

- Delivery of 2878 social housing units with 2000 units fully tenanted
- Registration of 21 918 title deeds
- Delivery of 39 058 housing units
- Completion of 25,186 serviced sites across programmes
- Unblocking 195 projects with a budget
- Ensure 11 358 First Home Finance subsidy applications are approved and 9231 subsidies disbursed to the qualifying beneficiaries
- Eradication of 6950 mud houses
- Delivery of 744 military veterans housing units
- 11,215 solar installations to advance energy resilience and sustainability

Honourable Speaker,

Despite several challenges we encountered in the previous financial year, we are comforted by the significant strides we made in some of our programmes. These include achieving 48% of MTDP targets in the delivery of title deeds, eradicating 8176 uninhabitable mud houses, and unblocking 85 stalled housing projects.

While progress is being made in changing the lives of the people through the delivery of sustainable human settlements, we remain deeply concerned about the pace of housing delivery. In our 2025/2026 target of 37 779 units, we only managed to deliver 23 027 units.

This situation cannot continue.

We will take decisive actions against underperforming contractors, and officials who fail to conclude procurement processes within the prescribed timeframes.

Honourable Speaker,

We know budget constraints is another contributing factor to us not meeting our targets. However, we must also send a strong message to some in our communities who often cause unnecessary delays in our projects. Anarchy and lawlessness have no place in a democratic South Africa. A right to one person cannot be an infringement to other person’s right.

In our concerted efforts to expand first time home ownership, we managed to deliver 10 856 units through First Home Finance. In addition, we disbursed 5195 of the 8183 subsidy approved applications to enable rural households to have access to formal housing.

Responding to President Cyril Ramaphosa’s call for stronger collaboration with traditional leaders, we are happy to report that many traditional leaders are actively driving local development initiatives in their communities.

Inkosi Ngcobo of Traditional Council, in oZwathini, KwaZulu Natal is one of the traditional leaders who have partnered with the department in ensuring rural communities benefit from First Home Finance rural housing programme.

Additionally, there are measures in place including efforts to expedite township establishment and layout approvals, mobilisation of additional funding support through COGTA, municipalities and National Treasury and interventions to secure land for decanting processes. We are also strengthening local governance and coordination mechanisms through Project Steering Committees (PSCs), councillor engagement and collaboration with traditional and community leadership structures to support implementation and improve stakeholder coordination.

Honourable Speaker,

It is equally encouraging that the programme has primarily benefited women and young people, the backbone and future of our nation. comforting that the First Home Finance has benefited mainly women and youth.

In line with one of the MTDP priorities, Inclusive Growth and Job Creation, more than 4000 jobs have been created through the construction of houses and administration of the programme. Local building suppliers have also experienced an increase in economic activities. This has contributed positively to the local economy.

Honourable Speaker,

Through the Housing Development Agency (HDA) we exceeded our land-related targets by acquiring 2 447 hectares of well-located land for human settlements development against a target of 1 000 hectares. In addition, just over a thousand hectares of land were rezoned for human settlements development, surpassing the annual target of 850 hectares. We also completed five integrated implementation programmes for Priority Development Areas (PDAs), through enhanced collaboration with municipalities.

For services sites, provinces delivered 24 251 against a combined annual business plan target of 13 995 for 2025/26, achieving approximately 173% of the planned target, indicating a significant aggregate performance in service site delivery.

These achievements are critical in advancing spatial transformation, improving access to strategically located land, and strengthening the pipeline for sustainable human settlements development.

Honourable Speaker,

The demand for affordable rental housing, particularly in metropolitan areas, remains very high amidst rapid urbanisation with a disproportionate number of people moving to urban centres.

Yesterday, we handed over some units at Somerlife Social Housing Project here in the City of Cape Town. We were informed that a project expected to yield 1200 units has received over 15 000 enquiries for phase one alone.

This clearly demonstrates the urgent need for increased collaboration between private and public sectors. It is for this reason that through HDA, we are hosting an Investment Networking Session to showcase strategic investment opportunities within the sector. The session will be attended by potential investors, development finance executives and private sector equity leaders amongst others to deliberate on commercially viable and socially transformative projects positioned for capital participation.

Despite challenges, the Social Housing Regulatory Authority (SHRA), an entity of the department continues to make meaningful progress. During the previous financial year, SHRA delivered 3 031 social housing units, exceeding its annual target.

Furthermore, nearly 2800 units were successfully tenanted, reflecting the sustained demand for well-located rental accommodation.

The implementation of social housing projects across the country resulted in the creation of 12 022 job opportunities, highlighting the programme's role in supporting economic activity and employment.

Honourable Speaker,

In line with the Property Practitioners Act 22 of 2029, we continued to make significant progress in advancing transformation, skills development, and participation of the previously disadvantaged within the property sector.

Through the One Learner, One Property Practitioner Programme, we successfully placed 619 candidate property practitioners with property industry employer/host employers, thus strengthening workplace-based learning opportunities and promoting sustainable entry into the sector.

We also exceeded our target for women empowerment through Principialisation Programme, supporting 1153 women against a target of **484**. The Deputy Minister will also touch on some of the PPRA's initiatives aimed at transformation of the industry.

In line with our 2025/2026 Budget Vote theme: "Leveraging technologies for resilient sustainable human settlements", we hosted a successful Summit on Innovative Building Technologies (IBT).

Through the summit we affirmed that these modern construction methods are no longer just experimental options, but essential tools for delivering scalable, affordable, durable, and climate-resilient homes. IBTs are also instrumental in assisting us to meet housing demands.

Importantly, the Summit was not merely a discussion platform. It produced concrete outcomes, including the already approved Consolidated IBT Implementation Plan that establishes a national roadmap with clear responsibilities and reporting lines.

The plan ensures that IBTs are institutionalised within existing housing programmes, rather than standing as a parallel initiative. This has been confirmed by MECs of Human Settlements across the country.

We are also engaging development finance institutions, the banking sector and National Treasury to ensure IBTs are integrated into existing subsidy and funding frameworks, rather than creating unfunded mandates. As a department and government, we have also resolved that at least 2% of the Human Settlements Development Grant (HSDG) may be allocated to IBT-related housing projects.

As we forge ahead with the implementation of the IBTs, we have underscored that it must prioritise local manufactures, emerging contractors, youth, women and township-based enterprises, ensuring IBTs drive inclusive economic participation and job creation.

To show our commitment to the IBTs, we have ensured that the 2024 White Paper on Human Settlements provides the policy foundation for innovation and alternative building typologies. Work is already underway to embed IBTs within the Housing Code, norms and standards, and implementation guidelines, ensuring they can be delivered through existing subsidy programmes, not special or ad hoc arrangements. IBTs are being institutionalised into the core business of human settlements delivery.

The IBT Summit marked the end of experimentation and the beginning of implementation.

Honourable Speaker,

During the 2025/26 financial year, the department identified 212 blocked housing projects nationally. Of these, 85 projects were successfully unblocked, resulting in the delivery of 1 136 housing units in Gauteng, the Free State, Northwest, KwaZulu-Natal, Mpumalanga and Limpopo.

While this represents progress, much more work remains. Every blocked project must now move from diagnosis to completion. Every stalled project must have a clear recovery path. Every recovery path must identify the responsible authority, the blockage, the required intervention, and the budget implication.

Where contractors fail, there must be consequences. Where infrastructure constraints exist, coordination must be escalated urgently. Where unlawful disruptions occur, government must engage communities honestly while ensuring lawlessness does not affect service delivery.

The principle is simple: we must complete what we have started.

Honourable Speaker,

We are proud that Rental Housing Tribunals are now active and functional in all nine provinces. These tribunals provide free and efficient dispute resolution services to tenants using and landlords operating in both public and private rental housing markets.

No tenant or landlord should be forced into expensive legal proceedings when accessible mechanisms already exist to ensure fair and legally binding resolutions.

We are however, concerned about reports of student tenants being exploited by landlords, as well as instances where some students fail to honour their contractual obligations with landlords despite receiving the National Student Finance Aid Scheme (NSFAS) funding.

In response, the Department of Human Settlements and NSFAS will soon sign a Memorandum of Understanding (MOU) which has a strategic intent of formalising a collaborative partnership between the National Department of Human Settlements, the National Student Financial Aid Scheme and Rental Housing Tribunals.

Central to this MOU is to educate student tenants and landlords about their respective rights and corresponding responsibilities. We have already engaged student formations and other stakeholders, and awareness programmes will soon be rolled out across all provinces.

Honourable Speaker,

The country continues to face increasing unlawful occupation of land and buildings, creating severe pressures on municipalities and property owners.

We all witnessed the tragic consequences of illegally occupied buildings in the City of Johannesburg, where lives were lost.

It is for for this reason that we have drafted and published the PIE Amendment Bill in the Government Gazette for public comments over a period of 60 days. Parallel to this we are also conducting nationwide public information sessions to solicit inputs from various stakeholders. To date, we have covered KwaZulu Natal, Limpopo, Mpumalanga and Western Cape. By the closing date, 16 June 2026 we would have covered all the provinces.

We wish to emphasize that the Bill continues to protect the rights of the vulnerable group, including elderly, children, persons with disability and household headed by women. It also brings a balance with the rights of the property owners and municipalities.

Our target is to table the Bill before this august house during August 2026.

Honourable Speaker,

The reality is that we are operating under severe fiscal constraints.

Our baseline has been reduced by R20.6 billion over the Medium-Term Expenditure Framework (MTEF). This has resulted in the reduction of Urban Settlement Development Grant (USDG) by R19.7 billion over the MTEF with R5.7 billion in 2026/27, R6.4 billion in 2027/28 and R7.1 billion in 2028/29) to fund the metro trading services.

National Treasury is currently implementing a grant reform process. This has resulted in a significant 67 per cent reduction in the Urban Settlements Development Grant (USDG) to Metros over the MTEF, decreasing from R9.249 billion in the previous financial year to R4.079 billion in the current financial year.

However, these funds are earmarked for trading services and may be accessed by Metropolitan Municipalities directly from National Treasury, subject to compliance with prescribed conditions. We encourage municipalities to reach out to the National Treasury to access these funds.

Notably, Informal Settlements Upgrading Partnership Grant (ISUPG) for Municipalities has also been reduced by R490.8 million in 2026/27 financial year. We have also reallocated R2.9 billion over the MTEF from HSDG to ISUPG to support non-Metro provinces to upgrade informal settlements. We urge all provinces to use these resources to better the living conditions of people living in informal settlements.

The allocation for the 2026 MTEF period, which will support the implementation of the sector's Medium-Term Development Plan (MTDP) targets, including conditional grants, amounts to R81.364 billion, with R26.972 billion allocated in the current financial year.

Conditional grant funding for the current financial year totals R23.679 billion, representing 87 per cent of the annual allocation. These funds are distributed as follows:

- Provincial Departments will receive R15.183 billion, constituting 64 per cent of the total grant allocation; and
- Metropolitan Municipalities (Metros) will receive R8.486 billion, accounting for 36 per cent of the total grant allocation.

Honourable Speaker, it worth highlighting that these budget reductions will have an impact on the achievement of our MTDP targets. We will discuss this during the MTDP mid-year review with the Department of Planning, Monitoring and Evaluation (DPME), to ensure that targets remain realistic and achievable.

It has and continues to be clear to everyone that we have no other choices but do more with less. This challenges us to be more innovative, work smarter, leverage on every cent we spend. We must continue to collaborate with other sister departments and strategic partners. We must make sure that nothing goes to waste and that our contractors strictly adhere to the delivery time frames without compromising on quality.

Honourable Speaker,

As I table this budget before this August house, let us remember that this budget is not merely about allocation. It is about delivery, dignity, and transformation. Through these investments we must ensure they translate into real change in the lives of South Africans.

As Amilcar Cabral posits: “Always bear in mind that the people are not fighting for ideas, for the things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.”

For Cabral, the struggle for liberation and fight for democracy and freedom are “hollow words” if they do not give a practical meaning to access to better food, better housing, and improved quality of daily lives.

In conclusion, our Constitution calls upon us to ensure everyone has access to adequate housing. As we commemorate 30th anniversary of our constitution, we must intensify our efforts to restore dignity and opportunity to the most vulnerable among us.

I thank you.